

SPEECH

GOVERNOR'S COMMUNICATIONS OFFICE

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REMARKS TO AFL-CIO CONVENTION

GOVERNOR PHIL BREDESEN

Thank you, Jerry, for that introduction, and for inviting me to speak with all of you today.

Before I get started, I'd like to take a moment to remember the life of one of your own. Two weeks ago, the Labor community lost a valuable member, and AFSCME Local 2173 lost a brother, when correction officer Wayne "Cotton" Morgan was killed in the line of duty while transporting a prisoner.

I was privileged to speak at Mr. Morgan's memorial service. Mr. Morgan knew the true meaning of service to family, to community, to country, and to God. He was a member of a proud group of Tennessee Volunteers. I know some of his brothers and sisters in Local 2173 are here today. And I know I speak for everyone when I say: We are inspired by your strength, and we thank you for your service. Please join me in honoring our friends.

Over the years, I've really come to rely on the advice and counsel of friends like Jerry Lee and Eddie Bryan and Billy Borchert and Bobby Klein. There are more of you out there, and I could go on. But let me just say: I appreciate the friendship and support all of you have shown me over the years.

We've worked together on the Peterbilt lockout, on a number of projects in Oak Ridge and around the state, and we stood together again last year, knocking on doors and campaigning for a number of legislative and congressional candidates.

In some respects, we're sort of like a family. We don't always agree on everything, workers' comp is a prime example. But at the end of the day, I'm proud that we are always able to come together and continue moving forward on the issues that are critical to our success as a state. We disagreed on workers' comp reform, but I'm proud to say that - thanks in large part to some difficult decisions on all sides - Tennessee finished last year with a net job gain of more than 31,000 ... gains that came at the same time other states continue to deal with hard times economically.

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Over the years, we've had a lot of success working together. And together, we continue to face some pretty significant challenges.

It is no secret that nationally, Organized Labor is going through a tough time. For those raised in shadow of Labor's mighty influence, this is difficult to hear, but it doesn't make it any less true. Today in Labor, there is vocal disagreement about the direction and focus the organization should take. Labor as an organization is doing like so many other groups, businesses and families, in that it is trying to make some sense out of and find its way in a changing economy and social structure.

There is a reason I bring this up today. And that reason is this: I know what you're going through, because the party I represent - the Democratic Party - is dealing with the very same problems on the same national scale.

All of us, whether we're members of organized labor or members of the Democratic party or both, all of us speak for the same core constituency: the "common man." It's a constituency that created America's middle class, that made many of us who we are today.

But somehow over the past few years, I would suggest that our national organizations have gotten off track and lost touch with who we represent, forgotten where we came from, and failed to adapt to the changing world around us.

It should speak to all of us when exit polls show that over half of Organized Labor in Tennessee voted for George Bush in 2000. We have to accept the fact that times have changed. We have to accept the fact that we, whether we're Labor or the Democratic Party, that we're currently working from a position of minority status. What I'm here to say today is this: We're on the same team. It's our turn to take the ball. It's time to stop playing defense and start playing offense.

Together we must ask: Why should the Wal-Marts of the world continue to see record profits each year, while at the same time pushing 10,000 employees onto TennCare?

Together we must ask: Why is it that with oil prices hitting new record highs every day, do we find it necessary to reward those companies with tax breaks?

Together we must ask: Why is it that, as a society, we watch Tennessee families struggle to afford overpriced prescription drugs while doing nothing to level a playing field that rewards the biggest advertisers and not the best medicine?

We've got to remind Tennesseans once again that Organized Labor and the Democratic Party truly stand for them and their families. We've got to remind them that ... unlike some others out there ... that we're not just talking the talk, we're walking the walk.

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As the Democratic Governor of Tennessee, I believe we've gotten off a couple big plays over the past several years. And we've done it by focusing in on a handful issues important to Tennessee families - issues like education and good jobs and fiscal responsibility - and getting them right.

I'm proud to say that in Tennessee ...

The Democratic Party stands <u>FOR</u> education ... and we're backing it up with results with progress in pre-k and teacher pay and the Imagination Library.

In Tennessee, the Democratic Party stands <u>FOR</u> fiscal responsibility ... and we're backing it up with results with three consecutive balanced budgets with no new taxes.

In Tennessee, the Democratic Party stands \underline{FOR} good jobs for hardworking Tennesseans ... and we're backing it up with results like the 31,000 net new jobs I told you about earlier.

And in Tennessee, the Democratic Party stands <u>FOR</u> families and communities ... and we're backing it up with the passage of some of the toughest laws in America to crack down on methamphetamine abuse.

We know what the Democratic Party stands for. They are many of the same things all of you in Organized Labor stand for. Our challenge today is to work together, to get out into our communities and to build on these achievements. We've got to do it by telling our story.

After 2½ years in office, I'm proud to say it's a good story.

Let's start by talking about education. I mentioned pre-K a few minutes ago. Earlier this month, I traveled across Tennessee to announce the creation of 300 new pre-K classrooms that are being added in 106 school systems statewide.

And while pre-K is a huge victory, it's not the only thing we're accomplishing. Democrats are leading the way to fully funding our State's Basic Education Program. And we're hitting a milestone by raising instructional salaries above the Southeastern average.

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I mentioned our fiscal success. After years of divisive debates over budgets and taxes, it took Democratic leadership in the Capitol and the General Assembly to restore Tennessee to a position of fiscal stability. Although we've still got a ways to go, I'm proud to say our State's Rainy Day Fund now is at its highest level ever ... a projected \$325 million by the end of this new fiscal year.

I mentioned our economic success. This year, we're investing \$20 million to expand job training opportunities for Tennesseans who need the help, and to develop a statewide broadband strategy that will add more high-tech industry in rural parts of our state, much the same way roads and highways opened our communities to jobs in the last century.

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Of course, for all our successes, we've had some challenges ... TennCare, chief among them.

Let me start by just acknowledging that I know these changes in TennCare are gut-wrenching for all of us. And I know they're particularly painful for the people who are losing coverage. We had a plan to preserve full enrollment. But it was blocked by enrollee advocates who refused to work with us to find a productive solution.

So instead, we're being forced to proceed with a combination of benefit limits and enrollment reductions, although we've continued to work overtime in the federal courts to try to limit those reductions.

Earlier this month we saw a glimmer of light with a long-awaited ruling from a federal judge in Nashville. The ruling covered a lot of different issues, but the bottom line is it gave us the tools we needed to achieve a truly watershed moment in the history of our Medicaid program - the preservation a part of TennCare that contains 97,000 of the sickest and neediest enrollees in the program today. Since then, we've also begun reaching out to some of the most needy, offering services for chemotherapy patients and insulin-dependent diabetics.

What we're trying to do here is simple: We're fighting for people. And by that I mean all the people. The people who are remaining on the program. The people who are being disenrolled. And the 700,000 people who never had health care coverage in the first place.

We're also fighting fraud and abuse. Since we created the TennCare Office of Inspector General last year, we've arrested 20 people a month, with a dozen of those convicted. Through the work of this office, we're ensuring that taxpayer funds in the TennCare program are protected from illegal activity. The bottom line is: Any person, provider, or employee committing fraud and abuse will be prosecuted.

In the end, it's my hope that on the day I leave office, it will be with TennCare realizing its original dream - as a program that provides healthcare coverage to hundreds of thousands of Tennesseans who would not have otherwise had help.

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Given all of the challenges before us, some would say we should throw up our hands and give up. That's not going to happen on my watch. I'm not giving up, and I don't want you to either. I want us to leave this room today with a renewed sense of purpose.

I've often said that the wealth of our state is not in the State Capitol. It's in the great work ethic of

hardworking Tennesseans who are dedicated to their families, their communities, and their state.

It will take the work of everyone here to make sure all Tennesseans know once again what being a Democrat ... what being a member of Organized Labor ... means in our state. Together we'll make sure Tennesseans from Memphis to Mountain City know that the people in this room today stand for them.

Once again, please accept my personal thanks for everything you do, both individually and as a group, for Tennessee. I look forward to working with all of you over the coming months and years as we make our great state even greater.

Thank you.

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